

North Yorkshire County Council

Executive

Minutes of the meeting held at County Hall, Northallerton on Tuesday, 29 January 2019 commencing at 11.00 am.

County Councillor Carl Les in the Chair. County Councillors Gareth Dadd, Caroline Dickinson, Michael Harrison, Andrew Lee, Don Mackenzie, Janet Sanderson and Greg White.

Apologies: County Councillors David Chance and Patrick Mulligan

Also in attendance: County Councillors John Blackie, Paul Haslam and Annabel Wilkinson

Officers present: Richard Flinton, Barry Khan, Gary Fielding, David Bowe, Richard Webb, Neil Irving, Daniel Harry and Justine Brooksbank

Copies of all documents considered are in the Minute Book

262. Minutes

Resolved –

That the public Minutes of the meeting held on 15 January 2019, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

263. Declarations of Interest

There were no declarations of interest to note.

264. Public Questions and/or Statements

County Councillor Carl Les confirmed that 3 public questions had been submitted in connection with agenda item 4. As none of the public participants were in attendance at the meeting the Chair agreed to accept the questions in their absence and asked Stuart Carlton - Corporate Director for Children & Young People's Services to read out the questions and the Local Authority's responses.

The first question submitted by Mr Alex Boyce, a teacher at Grove Academy Pupil Referral Unit (PRU) in Harrogate was in regard to the proposed changes to the High Needs Budget affecting North Yorkshire Pupil Referral Service:

It is likely that some PRUs may cease to operate as provisions for excluded pupils given the cuts coming in under the proposal for changes to the High Needs Budget. Can council officers confirm or deny that the council will **direct mainstream schools** to take students onto their roll? If so, by what mechanism?

In response, Stuart Carlton confirmed the County Council was not advocating the closure of PRS as part of the changes, and was keen for PRS and secondary head teachers to be involved in the localised model of AP from September 2020. The decision regarding the future of the Grove Academy sat with Delta Academies Trust and that the County Council would be meeting with its Chief Officer in the near future to discuss the issues.

Stuart Carlton confirmed it was the local authority's statutory duty to provide full time educational provision for permanently excluded children from day 6 of their exclusion, which for secondary pupils would be commissioned from the PRS/AP provision. He also noted that the PRS had found it difficult to move young people back into mainstream education which needed addressing in future discussions with schools.

Stuart Carlton then read out the second public question submitted by John Warren, the Principal at Grove Academy in Harrogate:

When the first cut to the pupil referral service is made on April 1st, it is very unlikely that the PRS be able to provide home medical tuition. Unfortunately, it will simply be uneconomical and staff won't be available for it. Can council officers please clarify what provision will be in place for those students?

In response, Stuart Carlton revisited the decision that was made by the Executive on 15th January in terms of funding for PRS/AP provision from 1st April 2019.

He confirmed that:

- The timescale for the introduction to the changes in the PRS/AP model would be slowed down so that the new model would not be introduced until September 2020.
- Funding for places would remain at £19K per full time place until September 2019 when the new rate of £18K would be applied.
- Medical places would continue to be funded but at a full time equivalent of £10K per full time place
- 50% of discretionary money would remain in the PRS budget
- Funding for home medical tuition would remain within the PRS until September 2020

He also confirmed that the Local Authority was in the process of finalising the commissioning of services with individual PRS/AP for 2019/20 and on completion of that process the final budget allocations would be agreed.

Stuart Carlton stated that the Local Authority had requested a meeting with the Principal of Grove Academy and the Chief Officer of Delta Academy Trust to discuss a number of issues in preparation for September 2020, and noted that confirmation of availability for that meeting was still being awaited.

He went on to underline the Local Authority's commitment to meeting the needs of young people with medical needs and confirmed that it would look at alternative options for home tuition if the Grove PRS was unable to provide continuity for those young people.

Finally Stuart Carlton read out the third public question, submitted by Karen Carberry of the National Education Union:

Failure to listen to the 60% of respondents to the consultation, the campaign groups, warnings from professionals and the LA's own commissioned advice will, without doubt bring much greater costs than it will savings. Failure to have a contingency plan in place for

children with high needs from April 2019 across all localities will result in reactionary measures being needed to fulfil the LA's statutory obligation. We have seen a concerning rise in Permanent Exclusions (which is now on a downward trajectory) but far more concerning and potentially embarrassing for North Yorkshire will be its positioning in the league tables detailing the number of 'at risk' children who will be Missing from Education this time next year.

We understand that the LA has approximately £70m in unallocated reserves. Will the officers give a clear explanation and reasoning for not using a small proportion of the county reserves to allow the SEND provision to continue as is until such time as schools are able to enact the proposed changes and build the infrastructure needed to carry out Early Intervention in a mainstream setting?

Stuart Carlton confirmed that when the changes to the AP models were fully implemented, the local authority would still be investing over £3million into supporting children who had, or were at risk of permanent exclusion. Also that in response to the consultation feedback, implementation of the changes had been extended to September 2020 and it had been agreed that 50% of the discretionary funding would be left in the PRS until that date.

He also confirmed the Local Authority was using other sources of funding to support the deficit in the high needs block, whilst continuing to lobby government regarding its view that the investment into the High Needs Block was insufficient to meet growing demands. He confirmed that over the period up until 2021/22 the Budget / MTFs would incorporate an additional £11.6m of council funding each year, so compared with the value of all savings proposed in High Needs of £1.6m, the Council was investing far more in High Needs than was being generated by savings to the PRS/AP. He also noted that the Council had to make a further £40m of estimated savings over that same period, therefore simply deferring all decisions and using reserves was unsustainable.

Stuart Carlton acknowledged it was not just about investing more money into the current system of PRS/AP provision, which was already generously funded in comparison to other local authority areas. The development of the new model for AP from September 2020 was also about:

- Establishing a cost effective and responsive model for AP that schools could use at an earlier stage to help reduce the need for exclusion.
- Maximising the use of funding for provision for young people
- Ensuring economies of scale in terms of leadership and back office costs – He confirmed that to date PRS had not considered those challenges - each PRS regardless of size currently had a leadership team made up of a Head teacher and 2 other senior leaders and individual back office costs.

He noted that many of the smaller schools had already taken some difficult decisions in terms of collaboration with others to ensure effectiveness of budget allocations.

In conclusion, Stuart Carlton reiterated the Local Authority's total commitment to reducing exclusion and its impact on young people, through the creation of a future model of AP that could be accessed by schools at an early stage to reduce the need for exclusion. He expressed his hope that the PRS would be part of that future and would be receptive to looking at ways their current model could change to achieve that ambition.

265. Budget 2019/20 and the Medium Term Financial Strategy (MTFS)

Considered -

A joint report of the Chief Executive and the Corporate Director – Strategic Resources asking the Executive to make recommendations to the County Council regarding the Medium Term Financial Strategy (MTFS) for 2019/20 to 2021/22, the Revenue Budget for 2019/20 and Council Tax for 2019/20.

County Councillor Gareth Dadd introduced the report, and thanked Gary Fielding and his team for their work on the budget. He noted that the County Council had always taken a longer view in regards to its budget and strongly cautioned against not doing so. He summarised the headline figures and drew attention to the £14m projected residual shortfall expected by the end of 2021/22. He also highlighted the assumptions that existed within the MTFS i.e. the County Council's future limitations for increasing Council Tax; the cessation of some grants and the planned savings. He also confirmed that on the basis of those assumptions, the County Council reserves would be reduced to £13m by the end of 2021/22.

Gary Fielding – Corporate Director for Strategic Resources noted that next year would be the final year of a 4 year settlement and the ASC precept. He stated much was familiar with the Budget and MTFS but specifically drew attention to the £23m of additional demand led pressures from SEND; ASC; and schools. He also acknowledged that given the lack of a spending review beyond 2019/20, no social care green paper, and changes to funding for councils, it was difficult to confidently predict future local government funding.

It was noted that the final Local Govt Finance Settlement was expected imminently with little or no variation expected from the provisional settlements, and that any difference would be addressed through the transfer to/from the Strategic Capacity Unallocated Reserve, subject to it being no greater than £5m in any single year.

In regard to Council Tax, Gary Fielding confirmed the recommended increase of 2.99% plus 2% ASC was in line with the Govt settlement, and drew attention to consultation feedback that showed 56% of those consulted supported that increase.

In regard to Reserves, it was noted that in 2019/20, £5.3m had been used. Specific attention was also drawn to the recommendation that the General Working Balance be retained at £27m for the full MTFS period.

In regard to savings, the report confirmed that £157m had already been delivered; over £15m were proposed for 2019/20, and another £11m in future years, which left £14m still to find. Gary Fielding acknowledged that new savings of £7.8m had been identified since last year's Budget, but stressed that savings delivery was growing harder each year, increasing the scale of the challenge ahead. It was noted that the proposed budgets for Council included savings proposals of £26.3m, and that the £14m estimated gap would likely be refined by the Spend Review. Also that the emerging Beyond 2020 Programme would help to identify further savings.

Gary Fielding stated that consistent with previous practice, the County Council had a savings contingency in the event that savings were not deliverable, and Reserves that could be deployed on a one-off basis in the event they were required. He also drew attention to:

- The equality implications and the specific obligations in terms of Children's Services, detailed in the report.
- The Locality Environmental Budgets which were to remain at £360k for now

- The Corporate Savings Contingency, which remained in place
- The one-off provision for possible additional costs associated with Brexit arrangements

In reference to his Section 25 Statement which drew some comparison with Northants, Gary Fielding acknowledged that NYCC's position was far from that but there was still a need to ensure focus on medium term and avoid complacency. He confirmed he was satisfied with estimates used in the Revenue Budget 2019/20 and the level of reserves, as long as the recurring shortfall continued to be addressed with recurring savings.

County Councillor Don Mackenzie thanked the Corporate Director for Business & Environmental Services and the Directorate teams for their work and outlined the planned savings of £3.62m for the Directorate in 2019/20. He confirmed there would be no knock on effect on service delivery, particularly in highways maintenance and winter maintenance which were both rated highly by the public. He also drew attention to the savings expected from NYCC's LED street light improvement works due the speed at which the work had been completed, and Scarborough's Park & Ride scheme.

County Councillor Andrew Lee outlined the expected savings in waste services which he confirmed were necessary against the backdrop of NYCC's saving requirements.

County Councillor Michael Harrison outlined the previous savings in Health & Adult Services achieved through changes to the structure, and acknowledged that as the Directorate's budget was reliant on the Better Care Fund and other funding schemes, the available budget for future years was less certain.

County Councillor Caroline Dickinson confirmed the public health budget was focussed on preventing illness and therefore was focussed on the long term way forward.

County Councillor Greg White outlined the efficiency savings in central services.

County Councillor Janet Sanderson summarised the savings to be achieved in Children & Young People's Services and endorsed the view that reserves should not be used as suggested in the public questions.

County Councillor Paul Haslam made reference to a recent Members briefing held in Harrogate and a subsequent letter sent to the Chairman. However, County Councillor Gareth Dadd confirmed the briefing had been an informal private members briefing and the letter confidential, therefore it was not appropriate for either to be discussed at the Executive meeting.

County Councillor Michael Harrison also referred to the earlier public questions and suggested the Executive receive a progress update on the implementation of the proposed new model for the Pupil Referral Service and Alternative Provision. County Councillors Don Mackenzie and Janet Sanderson both confirmed their faith in the proposed way forward, and County Councillor Gareth Dadd agreed an operational progress update in nine months' time would be appropriate.

County Councillor stated he had recently received reassurance from the Children's Minister, that it was right and proper to try reducing school exclusions, and it was noted that going forward Ofsted would be considering the number of exclusions as part of their assessment of schools performance.

Referring to the Capital Plan, Gary Fielding confirmed it reflected changes in anticipated spend and funding, with an estimated £7.6m of capital receipts that could be used in the future. He also highlighted that some commercial investments had been treated as capital spending.

Finally, Members noted the Treasury Management Strategy and its onward consideration by Audit Committee.

County Councillor Carl Les thanked officers for the report and the support given to Executive Members.

Resolved -

That in regards to the Revenue Plan, the Executive would recommend to County Council that:

- a) The Section 25 assurance statement provided by the Corporate Director, Strategic Resources regarding the robustness of the estimates and the adequacy of the reserves (paragraph 8.17) and the risk assessment of the MTFs detailed in Section 9 be noted.
- b) In accordance with Section 42A of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011), a Council Tax requirement for 2019/20 of £305,852,694 be approved and that a Council Tax precept of that sum be issued to billing authorities in North Yorkshire (Section 3.3 and Appendix C).
- c) In accordance with Section 42B of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011) a basic amount (Band D equivalent) of Council Tax of £1,311.16 be approved (paragraph 3.3.10 and Appendix C).
- d) A Net Revenue Budget for 2019/20, after use of reserves, of £382,018k (Section 4.0 and Appendix F) be approved, and that the financial allocations to each Directorate, net of planned savings, be as detailed in Appendix B.
- e) In the event that the final Local Government Settlement results in a variance of less than £5m in any single year then the difference to be addressed by a transfer to / from the Strategic Capacity Unallocated Reserve in line with paragraph 3.2.8 with such changes being made to Appendix D as appropriate.
- f) The Corporate Director – Children and Young People’s Service be authorised, in consultation with the Corporate Director, Strategic Resources and the Executive Members for Schools and Finance, to take the final decision on the allocation of the Schools Budget including High Needs (paragraph 3.4.16).
- g) £360k be provided for Members Environmental Locality Budgets in 2019/20 in line with paragraph 3.9.2.
- h) A further £1m be provided to fund the on-going 2020 North Yorkshire Programme and its emerging successor (Beyond 2020 Programme) in response to the need to plan for further savings proposals as set out in paragraph 3.9.3.
- i) The Medium Term Financial Strategy for 2020/21 to 2021/22, and its caveats, as laid out in Section 3.0 and Appendix F be approved.
- j) The Corporate Director – Business & Environmental Services be authorised, in consultation with the Executive Members for BES, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in Appendix A1 (BES 1 to 7).
- k) The Corporate Director – Health and Adult Services be authorised, in consultation with the Executive Members for HAS, to carry out all necessary actions, including consultation

where he considers it appropriate, to implement the range of savings as set out in Appendix A1 (HAS 1 to 17).

- l) The Corporate Director – Children and Young People’s Services be authorised, in consultation with the Executive Members for CYPS, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in Appendix A1 (CYPS 1 to 7).
- m) The Chief Executive is authorised, in consultation with the Executive Members for Central Services, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in Appendix A1 (CS 1 to 17).
- n) Any outcomes requiring changes following Recommendations j), k), l), and m) above be brought back to the Executive to consider and, where changes are recommended to the existing major policy framework, then such matters be considered by full County Council.
- o) The existing policy target for the minimum level of the General Working Balance is retained at £27m in line with paragraphs 3.6.4 to 3.6.5 and Appendix E.
- p) The pay policy statement (Appendix H) covering the period 1 April 2019 to 31 March 2020 be approved as set out in Section 6.
- q) The recommendation of the Chief Officers Appointment and Disciplinary Sub Committee to combine current grades Director 2 and 3 into a single grade be approved as set out in Section 6 and as incorporated within Appendix H.

In addition, the Executive also:

- Noted and agreed the delegation arrangements referred to in Section 10 that authorised the Corporate Directors to implement the Budget proposals contained in the report for their respective service areas and for the Chief Executive in those areas where there were cross-Council proposals.
- Had regard to the Public Sector Equality Duty (identified in Section 7 and Appendix I) in approving the Budget proposals contained in the report.

In regard to the Capital Plan, the Executive:

- a) Approved the updated Capital Plan, summarised at Appendix E which incorporated a number of specific refinements reported in paragraph 4 of the report.
- b) Agreed that no action be taken at this stage to allocate any further additional capital resources (paragraph 6.4)
- c) Agreed to Recommend to the County Council that the Q3 2018/19 Capital Plan, as summarised in Appendices A to E be adopted.

In regard to the Treasury Management Strategy, the Executive would recommend to County Council:

- a) The Treasury Management Policy Statement as attached as Appendix A;
- b) The Annual Treasury Management and Investment Strategy for 2019/20 as detailed in Appendix B and Prudential Indicators attached as Schedule E, in particular;

- i. an authorised limit for external debt of £537.2m in 2019/20;
 - ii. an operational boundary for external debt of £517.2m in 2019/20;
 - iii. the Prudential and Treasury Indicators for 2019/20 to 2020/21
 - iv. a limit of £40m of the total cash sums available for investment (both in house and externally managed) to be invested in Non-Specified Investments over 365 days;
 - v. a 10% cap on capital financing costs as a proportion of the annual Net Revenue Budget;
 - vi. a Minimum Revenue Provision (MRP) policy for debt repayment to be charged to Revenue in 2019/20
 - vii. the Corporate Director – Strategic Resources to report to the County Council if and when necessary during the year on any changes to this Strategy arising from the use of operational leasing, PFI or other innovative methods of funding not previously approved by the County Council;
- c) The Capital Strategy as attached as Appendix C
- d) That the Audit Committee be invited to review Appendices A, B and C and submit any proposals to the Executive for consideration at the earliest opportunity.

266. Council Plan

Considered –

A report of the Assistant Director (Policy, Partnerships and Communities) seeking Executive agreement to submit the refreshed Council Plan to the County Council for adoption.

Neil Irving - Assistant Director (Policy, Partnerships and Communities) introduced the report, noting that the Council Plan set out the Council's ambitions and priorities for the next four years, sitting alongside the Budget and Medium Term Financial Strategy. He confirmed that as the ambitions and approach remained relevant and appropriate, only a light refresh had been required, with the only addition being that of a new appendix listing the corporate performance management indicators that the Council reported on quarterly – referred to as the Q Report.

Finally, Neil Irving confirmed that the Council Plan included links to other key documents and more detail made available on the County Council's website.

Resolved -

That:

- The draft Council Plan be endorsed and recommended to the County Council for approval at its meeting on 20 February 2019 and;
- The Executive would recommend to the County Council that the Chief Executive be authorised to make any necessary changes to the text, including reflecting decisions made by the County Council on the Budget, Medium Term Financial Strategy and updated performance data.

267. Future Structure of the Coroner Service in North Yorkshire

Considered –

A report of the Assistant Director (Policy, Partnerships and Communities) updating the Executive on the proposed future structure of the Coroner Service in North Yorkshire and seeking approval to undertake discussions with City of York Council on a potential merger of the York & North Yorkshire services.

County Councillor Greg White introduced the report confirming that upper tier Authorities were responsible for the appointment and payment of the coroner, and the costs of the service. He also noted that it was only possible to make changes to the arrangements for a coroner's service at a time when there was no permanently appointed coroner in place.

Having outlined the current circumstances which had enabled consideration of changes to the service, he detailed the various proposals under consideration.

Resolved -

That:

- i) Subject to the agreement of the Ministry of Justice and the Chief Coroner to the remaining senior coroner also being appointed senior coroner for the other area on an interim basis or other similar arrangements, the two North Yorkshire coroner areas be managed as one area and one service from April 2019.
- ii) Discussions be held on the feasibility and desirability of merging the City of York and North Yorkshire coroner areas and services.
- iii) The Executive delegate to the Chief Executive in consultation with the Executive Member with responsibility for the coroners service:
 - a. The decision regarding submitting a proposal seeking merger of coroner areas to the Lord Chancellor.
 - b. The decision regarding an agreement between North Yorkshire County Council and the City of York Council on the operation of the merged service and division of costs.

268. Response by the Scrutiny of Health Committee to the Notice of Motion to County Council on 14 November 2018 on the NHS Patient Transport Service and Community Hospitals

Considered -

A report of the Democratic Services and Scrutiny Manager, providing a response from the Scrutiny of Health Committee to the Notice of Motion, which was put to County Council on 14 November 2018 by County Councillors John Blackie and Stuart Parsons, regarding changes to the eligibility criteria for the NHS Patient Transport Service, and concerns about the long term sustainability of community hospitals.

Daniel Harry, the Democratic Services and Scrutiny Manager outlined the areas of concern identified by the Scrutiny of Health Committee and the way forward they had suggested which included a proposal that the Clinical Commissioning Groups and Yorkshire Ambulance Service should consider amending both:

- The assessment criteria to include the impact of rurality; the level of access to public transport; and the distances that had to be travelled by some patients.
- The assessment process

County Councillor John Blackie withdrew his original objection to the Scrutiny of Health Committee being asked to consider the Notice of Motion, and expressed his thanks to the Committee for the way the issues raised in the motion had been examined. He went on to provide feedback from the Upper Dales Community Partnership which had carried out a survey with elderly and vulnerable people in its area, which evidenced the serious concern of residents about being able to travel to hospital for appointments etc. He expressed concern at the CCG's reluctance to share their matrix; his dis-belief at the decision by the CCGs and YAS to exclude the issues of distance, rurality and availability of public transport from their telephone based assessment process, and the lack of consultation with Health Scrutiny before the changes were made. He also gave a number of examples of how the new criteria and process would fail those in most need of support.

County Councillor Michael Harrison thanked County Councillor Blackie for attending, and acknowledged the work of the Scrutiny Committee. He queried the third resolution and asked whether the other CCG's were already providing patient transport to patients with those conditions without an eligibility assessment. Daniel Harry confirmed that was the case and that currently the two named CCGs did not do so as they were of the view that everyone should be assessed in the same way. He also informed Executive that the second element of the Notice of Motion, referring to the long term sustainability of small and community hospitals, was being initially considered at the Scrutiny of Health Mid Cycle Briefing on 1 February 2019. A report on these discussions will come to a future meeting of the Executive.

In light of the concerns raised, County Councillor Michael Harrison suggested that in regard to the appeals process, the fourth resolution should be strengthened to say 'The entire appeals policy and process should be simplified, made clearer and more transparent, and better publicised. Also, that all CCGs should operate a consistent approach to the commissioning and operation of Patient Transport Services'.

Having noted the progress being made with regard to the second part of the Notice of Motion on small and community hospitals, the Executive

Resolved –

To recommend the Scrutiny of Health Committee response to the Notice of Motion, at the County Council meeting on 20 February 2019, subject to the agreed change to the fourth resolution suggested by County Councillor Michael Harrison (as detailed above).

269. LGPS Employer Discretions Policy

Considered –

A report of the Assistant Chief Executive (Business Support), proposing amendments to NYCC's policy regarding the exercise of employer's pension discretions under the Local Government Pension Scheme (LGPS).

County Councillor Gareth Dadd introduced the report, which highlighted the work undertaken to review the existing NYCC discretionary policies in response to the publication of a revised

template discretion document by the North Yorkshire Pension Fund and a change in employment law.

Resolved:

The Executive noted the proposed revisions to the LGPS Employer Discretions Policy and agreed to recommend to the full County Council that they be approved.

270. School Admission Arrangements for the School Year 2020/21

Considered –

A report of the Corporate Director - Children and Young People's Service seeking the Executive's views on the response to the proposed admission arrangements for Community and Voluntary Controlled schools for the school year 2020/21 and seeking approval for recommendation to the County Council for determination.

County Councillor Janet Sanderson introduced the report, highlighting that the local authority was required to consult annually on its admission arrangements, including its admission policy and admission limits.

County Councillor Carl Les queried whether anyone who was a School Governor needed to declare an interest for the item, and Barry Khan – Assistant Chief Executive, Legal & Democratic Services confirmed they did not need to do so.

Resolved:

That the Executive would recommend to the County Council on 20 February 2019, the Admission Arrangements as proposed in the report, which included:

- i) The proposed admission policy for community and voluntary controlled schools;
- ii) The proposed admissions policy for nursery schools, schools with nursery and Pre-reception classes (Appendices 1 & 2);
- iii) The proposed co-ordinated admission arrangements (Appendix 3);
- iv) The proposed In Year Fair Access Protocol (Appendix 3a);
- v) The proposed published admission numbers (PAN's) for community and voluntary controlled schools, as shown in Appendices 4 (Primary) and 5 (Secondary)

271. Forward Plan

Considered -

The Forward Plan for the period 18 January to 31 January 2019.

Resolved -

That the Forward Plan be noted.

The meeting concluded at 12.50 pm
MLC